Adobe Personalization Survey

Survey of Marketers and Consumers
2020

Executive Overview

- In January and February 2020, Adobe conducted research on over 400 digital marketers and over 1,000 adult consumers on topics related to digital experience personalization
- Marketers were asked questions relating to the priority of personalization, budget allocation, use cases, and benefits seen including return on investment
- Consumers were asked questions relating to their perception and awareness of personalization, their perceptions of being personalized to, and their relationships with brands across a variety of devices

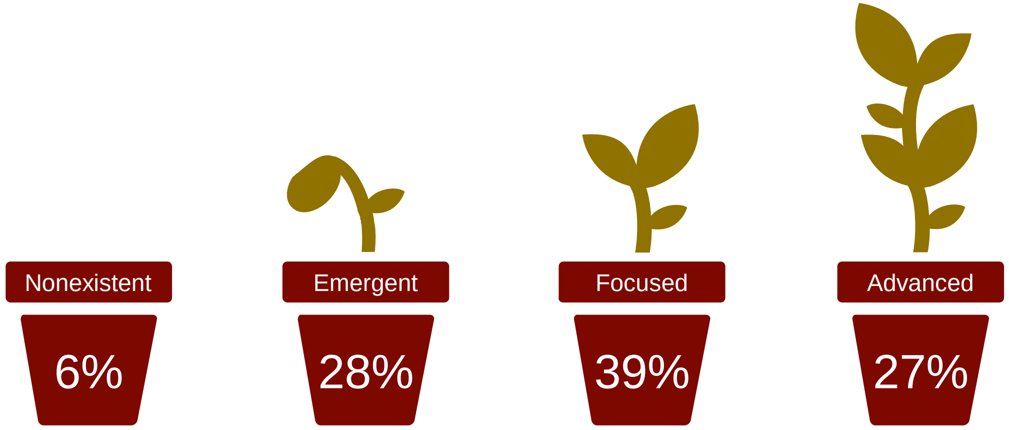
Digital Marketer Survey

Extent of Personalization

Digital Maturity: Mostly, We're Doing OK

Most organizations give themselves 'passing grades': digitally mature with room to improve, and holding steady within their industry

Digital maturity



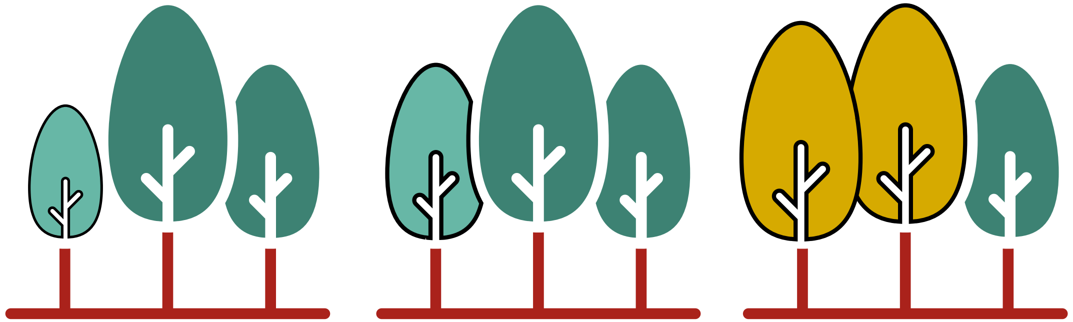
Nonexistent
- × limited or no data,
- × data and content in silos,
- × no automation,
- × low technical capacity

Emergent
- ○ basic data available,
- ○ some content integration,
- ○ some automation,
- ○ growing technical capacity

Focused
- ↑ data, content and processes somewhat integrated,
- ↑ automation common,
- ↑ solid and expanding technical skills

Advanced
- ✓ data and content mostly integrated,
- ✓ best practices generally followed,
- ✓ automation common,
- ✓ strong technical skills

Comparative performance



4%
losing ground
to other organizations

62%
holding steady
compared to other organizations

34%
outperforming
other organizations in the industry

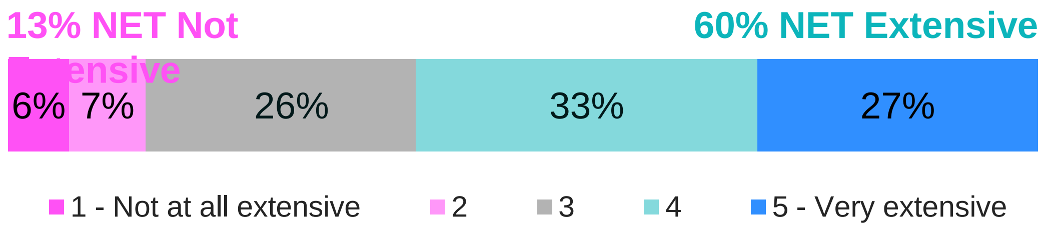
A1 – How would you rate your organization's digital maturity? By digital maturity, we mean the degree to which the company has invested in structure, people, processes, and tools to understand the market, adapt to new conditions, and innovate. Base: All respondents (404).
A2 – Which of these statements best describes your organization? Base: All respondents (404).

Differentiation Through Personalization

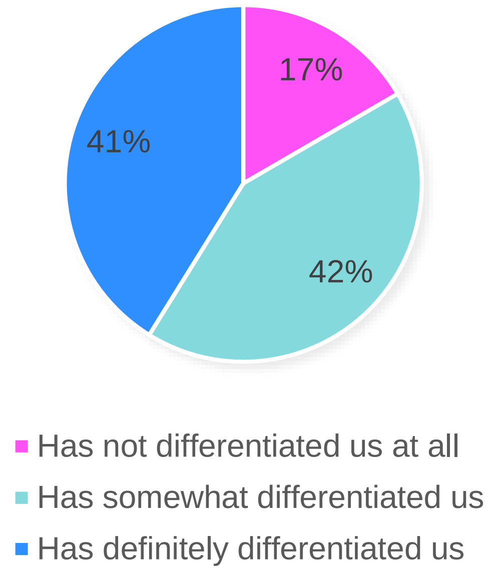
Only 6 in 10 organizations feel they have extensive personalization.

83% of organizations believe that personalization is differentiating. Among those organizations with extensive personalization, 94% believe that their personalization distinguishes them from their competitors.

Extent of Personalization



Differentiation from Personalization



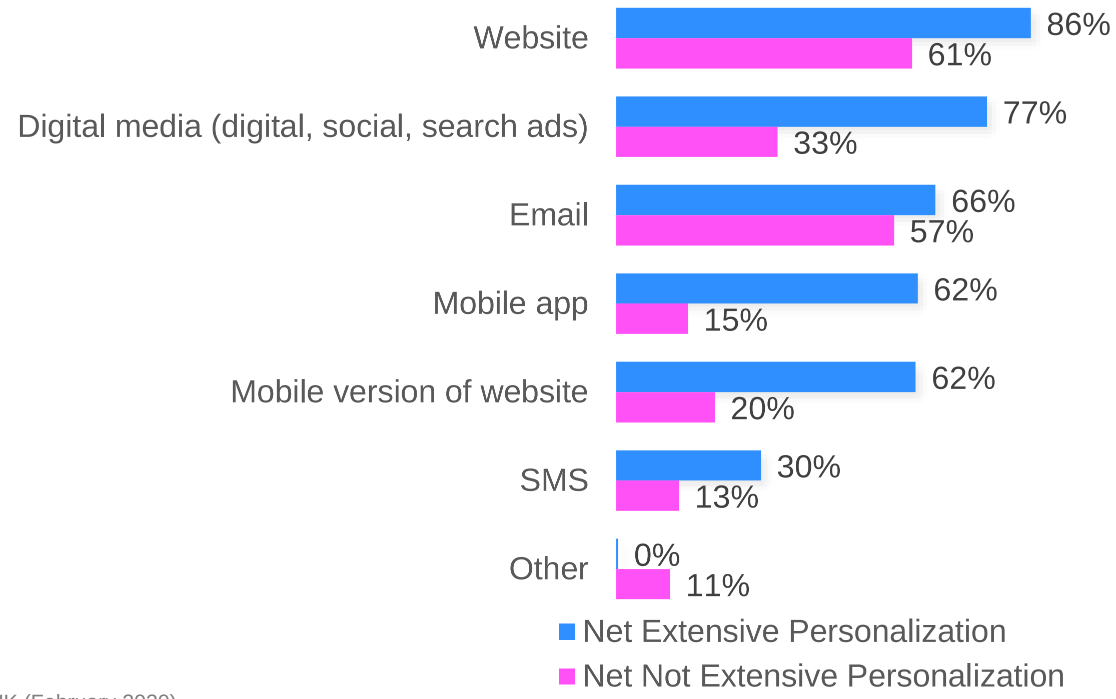
US/UK (February 2020)
B2 – How extensive is your organization's personalization of digital content? Base: All respondents (404)
B10 – How much would you say that your organization's personalization of digital content has differentiated your organization from your competitors? Base: Excludes *Not sure* (379)

Channels for Personalization

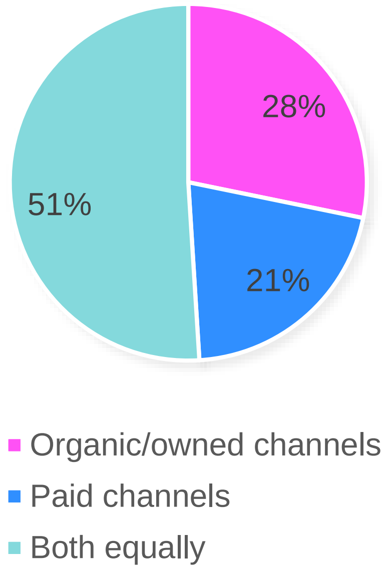
Websites are the most likely to be personalized, even for organizations that do not have extensive personalization.

Organizations without extensive personalization lag most mobile apps.

Channels Currently Personalized



Focus of Personalization Efforts



US/UK (February 2020)
B4a – What channels are you personalizing in today? Base: All respondents (404)
C2 - Which channels are the focus of your personalization efforts? Base: All respondents (404)

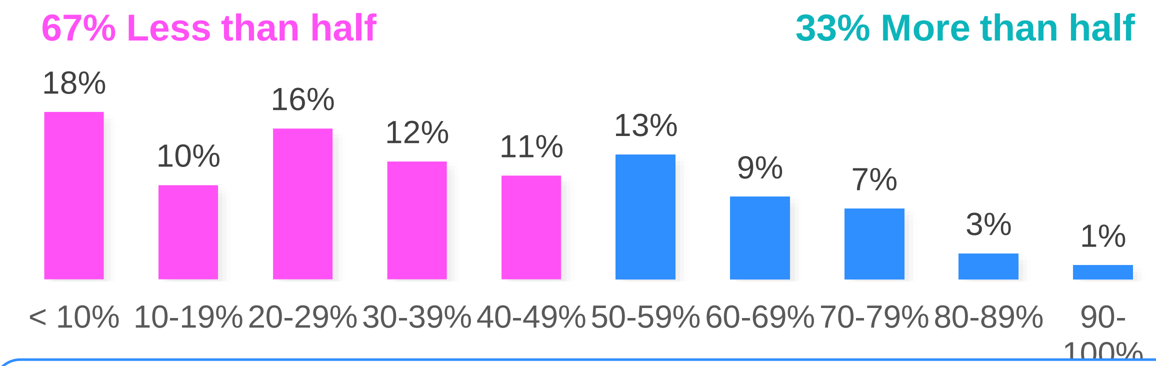
Personalization Investment & ROI

Digital Marketing Budget is Moving to Personalization

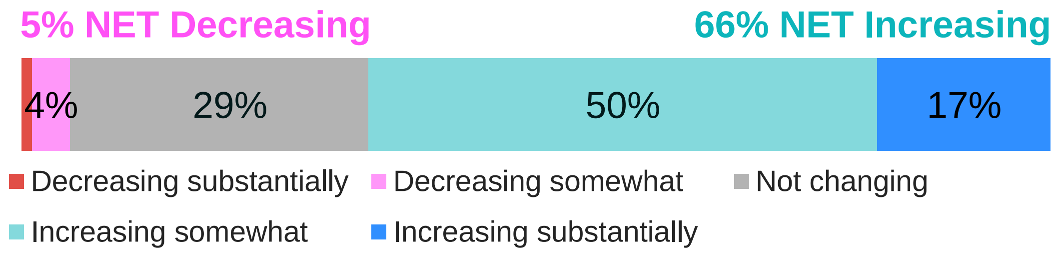
A third of organizations are already spending more than half their budget on personalization of digital content and most organizations are increasing that share.

95% of organizations are maintaining or increasing personalization budget over the next 5 years.

Personalization's Share of Digital Marketing Budget



Share of Budget for Personalization in Digital Marketing Over the Next 5 Years



Budget devoted to personalization is lowest in SMBs (21% more than half), and highest in enterprises (45% more than half)

83% of those already spending more than half of their budget on personalization say it is increasing (34% substantially), compared to 58% of those spending less (only 8% will increase substantially)

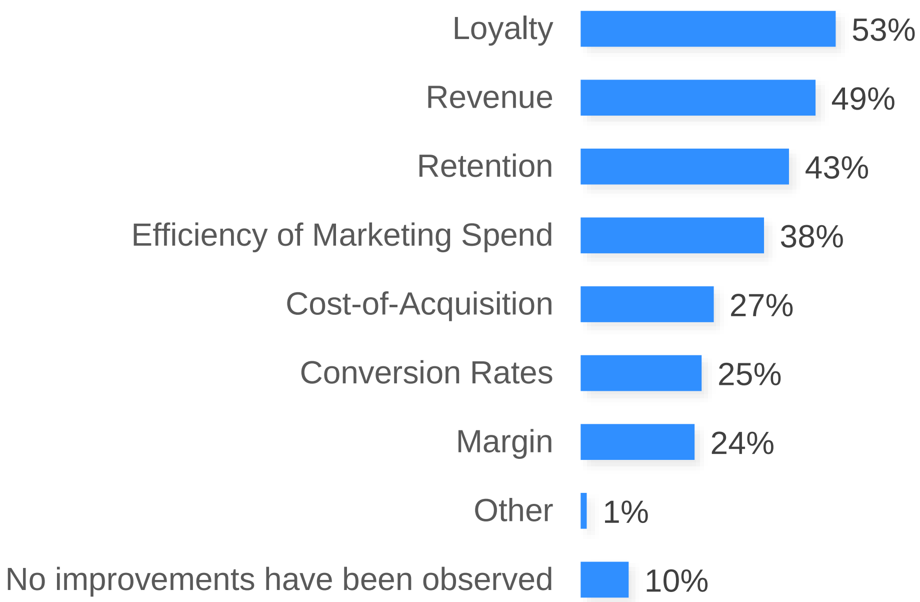
US/UK (February 2020)
B5 – How much of your digital marketing budget is allocated to personalization? Base: All respondents (404)
B6 – As a proportion of you total digital market budget, is your investment in personalization or budget allocation increasing or decreasing over the next 5 years? Base: All respondents (404)

Personalization Delivers

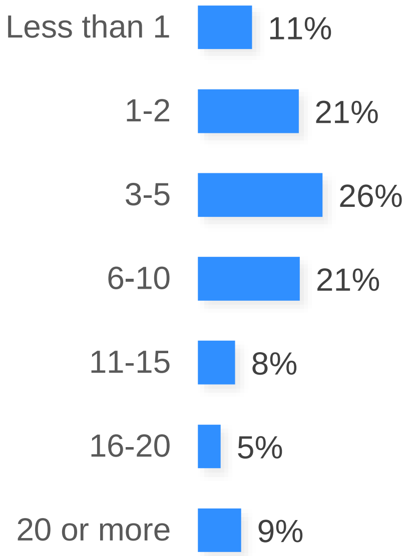
Personalization provides diverse outcome improvements – measures such as loyalty, revenue, retention and efficiency of marketing spend are all reported to be improved with personalization.

Organizations with extensive personalization see significantly greater improvements from personalization.

ROI or Outcome Improvements



Return Per Dollar Spent



US/UK (February 2020))
B8 – What ROI or outcome improvements have you seen from personalization? Base: All respondents (404)
B9a – For every dollar that you spend on personalization, how many dollars do you get back in ROI? Base: All respondents (404)

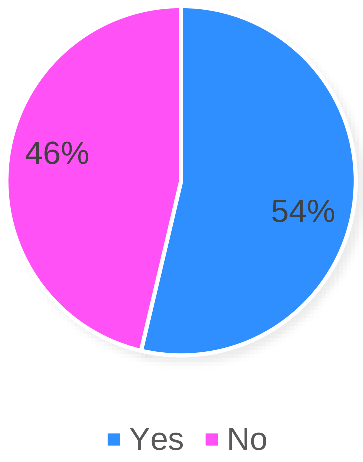
Personalization Team & Tools

Dedicated Teams for Personalization

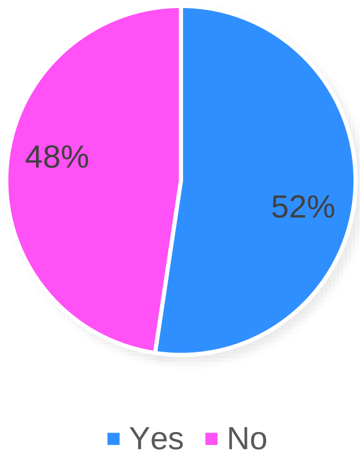
Half of organizations have dedicated teams for personalization and for managing channels or touchpoints. Most firms with personalization teams also have a separate team for managing channels or touchpoints (and vice versa).

Organizations with more than 100 employees are almost twice as likely as organizations with fewer employees to have dedicated personalization (64% vs. 34%) and channels (66% vs. 29%) teams. But mid-sized firms are not less likely to have dedicated teams than firms with 1000+ employees.

Dedicated Personalization Team



Separate Team for Managing Channels or Touchpoints

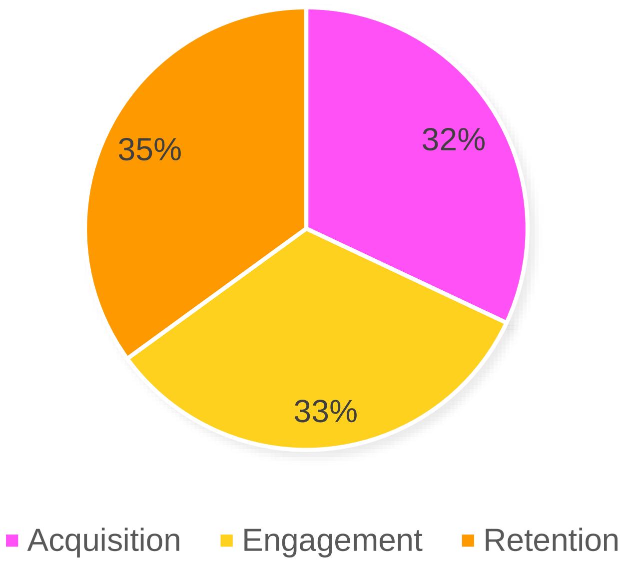


US/UK (February 2020)
C1 – Do you have a dedicated personalization team? Base: Excludes *Not sure* (380)
C1a – Do you have separate team managing channels (or touchpoints)? Base: Excludes *Not sure* (380)

Channel Priorities

Organizations give equal priority to acquisition, engagement, and retention.
Firms with a low extent of personalization are more likely to prioritize retention.

Mean Share of Personalization Focus Allocated

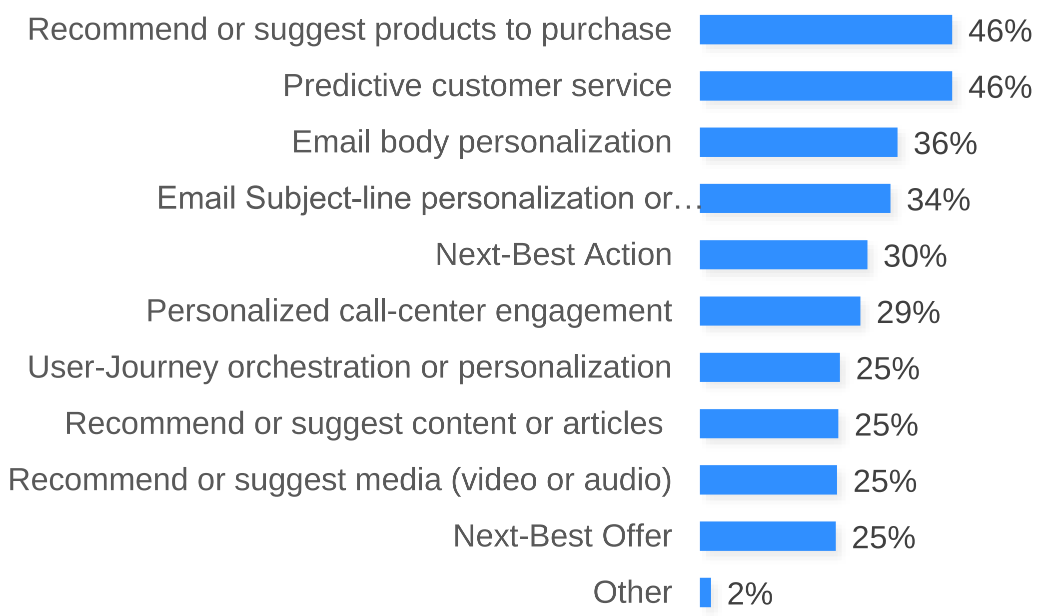


US/UK (February 2020)
C3 – If you were to allocate 100 points across each of these goals, what are your organizational priorities? Base: All respondents (404)

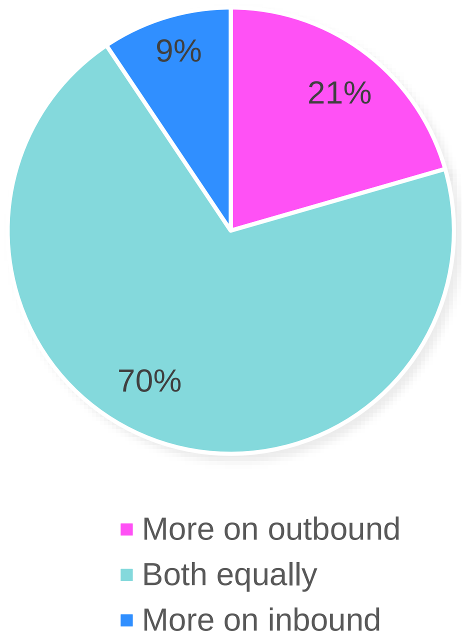
Cases for Personalization & Direction of Interactions

Organizations use personalization for a variety of purposes, foremost recommendations and predictive customer service.
Inbound and outbound interactions are given equal priority.

Cases for Personalization



Priority of Interactions

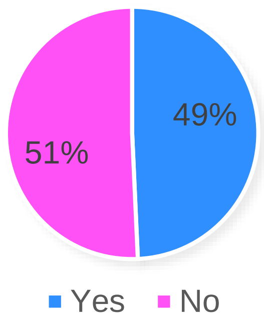


US/UK (February 2020)
C4 – What cases are you trying to solve with personalization? Base: All respondents (404)
C5 – And how do you prioritize between inbound and outbound interaction? Base: All respondents (404)

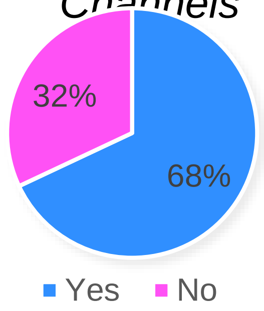
Working Toward a Single Profile

Only 1 in 4 organizations have all customer data in a single profile, but 60% anticipate being ready in the next 18 months.

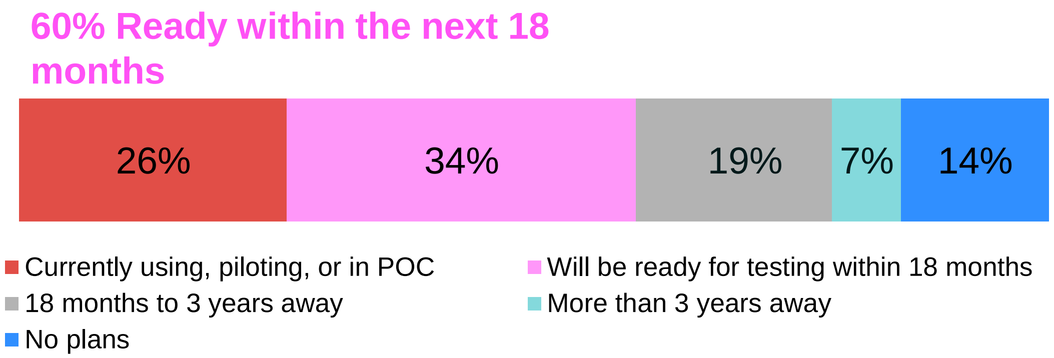
Omnichannel View of Customer Journey



Interaction Coordination Across All Channels



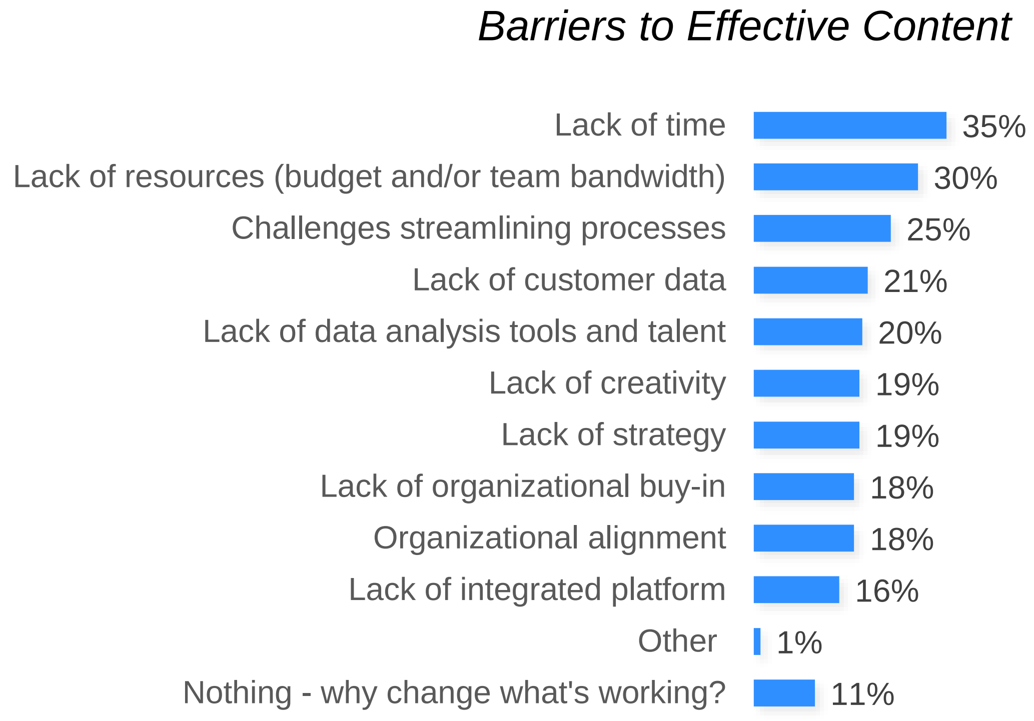
Proximity to a Single Profile with All Customer Data

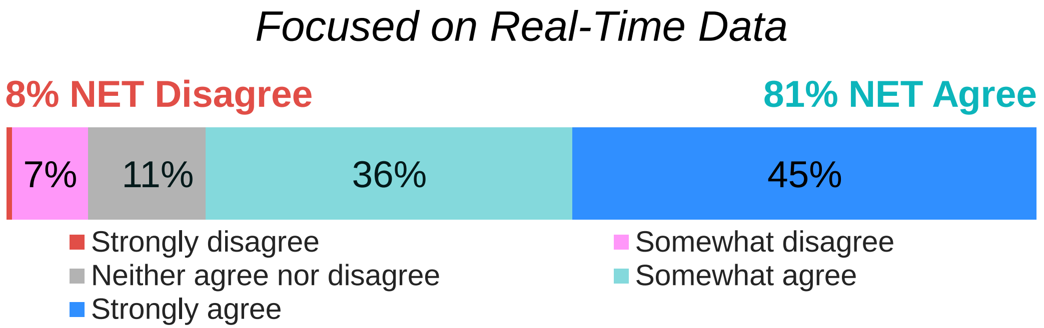


US/UK (February 2020)
C6 – Do you have an omnichannel view of a customer's journey? Base: Excludes *Not sure* (347)
C6a – Can you coordinate personalized interactions across all channels? : Excludes *Not sure* (363)
C7 – How close is your organization to having a single profile with all customer data? Base: All respondents (404)

Barriers to Creating Effective Content

All organizations are afflicted with a lack of time and resources.
Larger firms (100 employees+) are much more likely to complain of difficulty streamlining, organizational alignment, and a lack of data analysis tools/talent.





US/UK (February 2020)
Q5 – What is a barrier to creating more effective content for your organization? Base: All respondents (404)

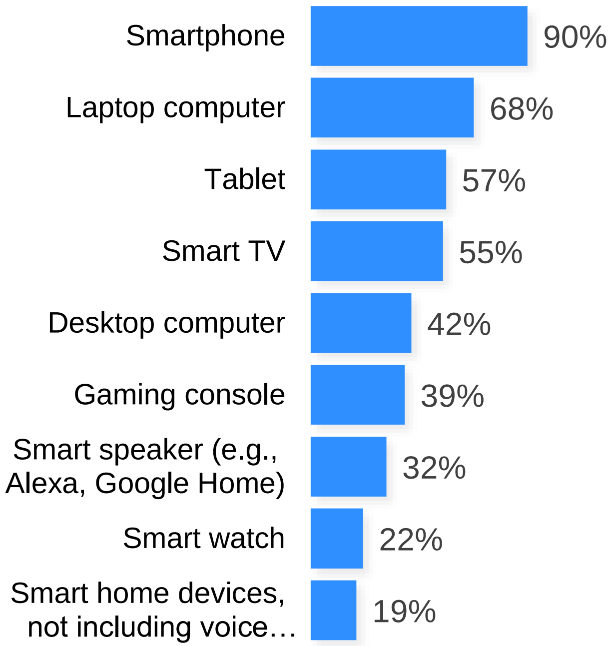
Consumer Survey

Communicating with Brands

Devices Used

Smartphone and computer (90%, 81% ownership) are the most commonly owned devices, although Gen X, Millennials and Gen Z are significantly more likely to own a smartphone. Smartphones are the most used device for browsing the internet and shopping online, particularly for Gen Z and Millennials.

Devices owned



% of time device is used to browse the internet

47 % 44 %

36%

19%

10%

8%

10%

4%

2%

1%

1%

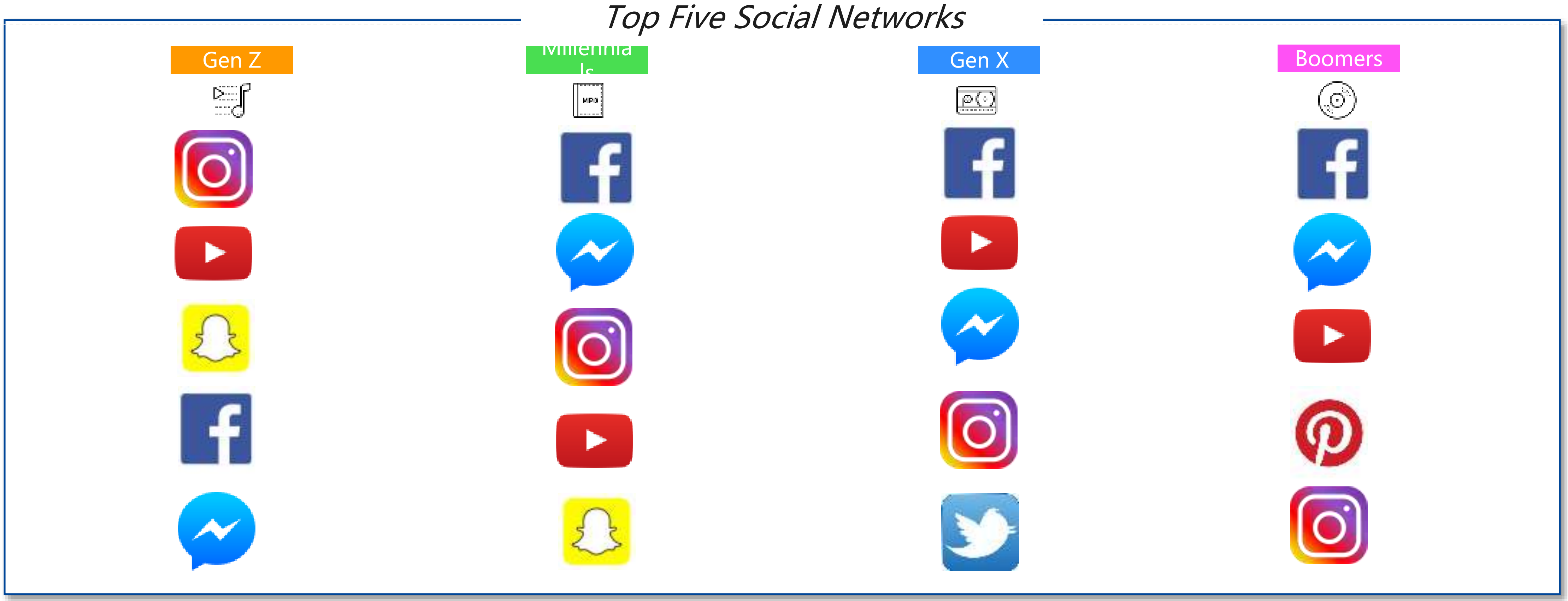
***48%** are most likely to shop online using their smartphone*

69 % 69 %

USUS/UK (February 2020)
s3 -- Which of the following devices do you own? Base: All respondents (1000)
a1 -- Thinking about your personal use (excluding work or school), what percent of time do you spend using each of these devices to browse the internet? Base: All respondents (1000)
a2 -- Which device are you most likely to use to shop online? Base: All respondents (1000)

Statistical testing subgroups: Gen Z , Millennials , Generation X , Baby Boomers , Traditionalists

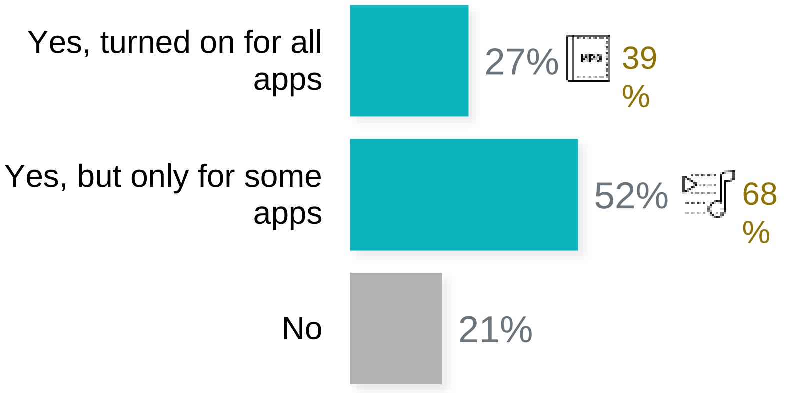
Social network use is fairly consistent across generations but Gen Z uses Facebook less than other generations.



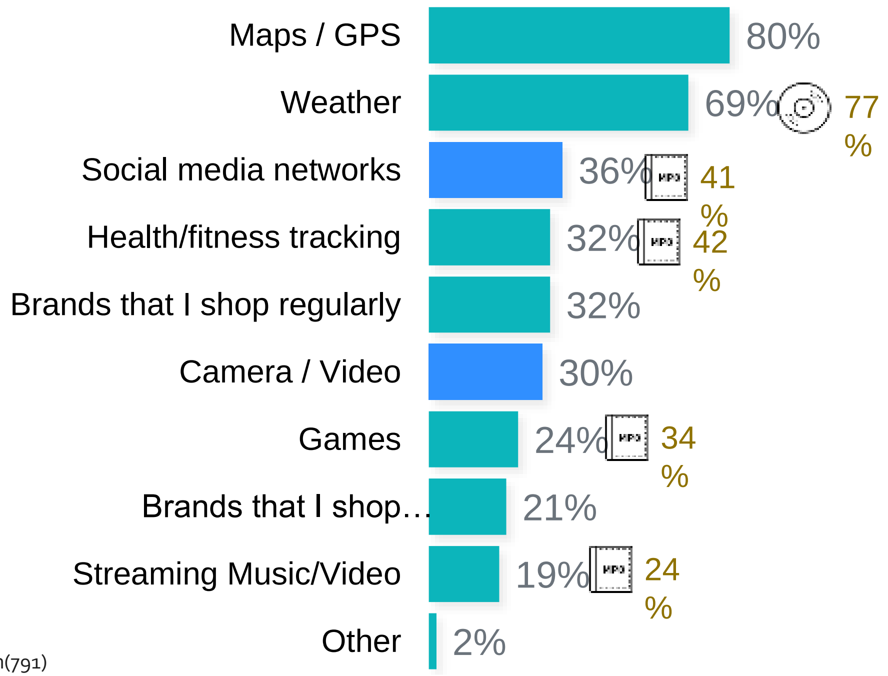
Location Sharing

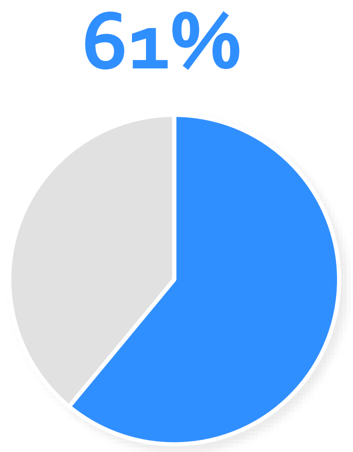
Currently, only 1/4 of consumers have location services turned on for all apps – apps need to make a compelling case to be allowed this access. Millennials are most likely (39%) to allow unlimited location access. Maps/GPS and Weather apps are most likely to be given location access.
2/3 of consumers are willing to share their location with an app in order to be informed about events or deals, or when near a store.

Allow mobile apps to know location



Types of apps allowed to know location





Would allow a mobile app to know location for events, deals, notifications

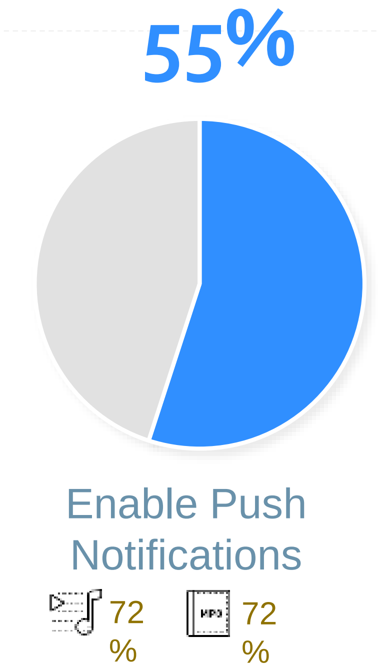
73 % 71 %

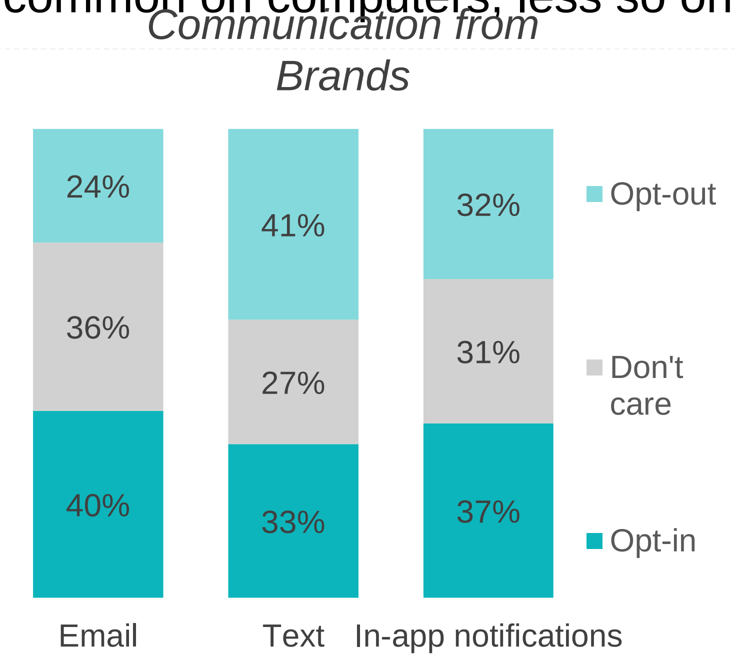
US/UK Results (February 2020)
a3a - Do you allow mobile apps to know your location? Base : All respondents (1000)
a3b - Which types of apps do you allow to know your location? Base : Allow apps to know location(791)
a3c - Would you allow a mobile app from a brand to know your location so that they can inform you when you are near a store, outpost, event, or deal? Base : Allow apps to know location (764)

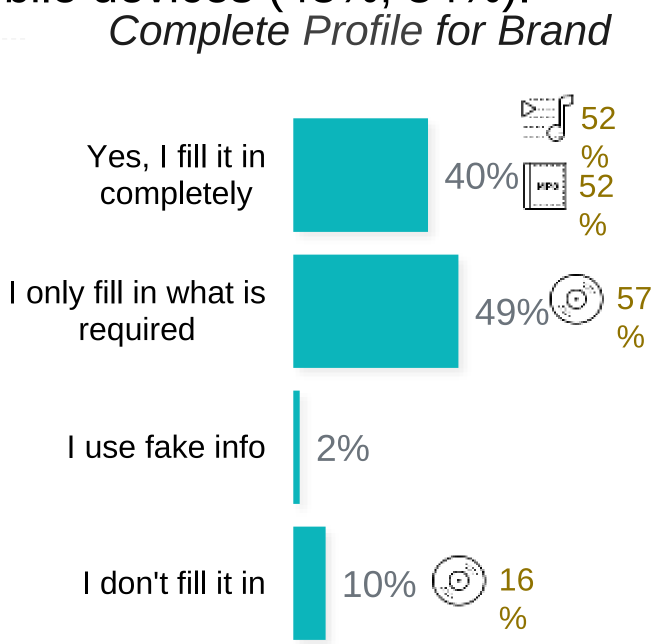
Statistical testing subgroups: Gen Z , Millennials , Generation X , Baby Boomers , Traditionalists

Offers and Ad Blocking

Over half of consumers have opted in to receive marketing messages on mobile apps, while fewer (4 in 10) are likely to opt-in for email or text notifications.
Consumers are careful sharing personal information, with many saying they limit form completion to only required fields.
Use of ad-blockers is common on computers, less so on mobile devices (43%, 34%).







US/UK Results (February 2020)
a5 - Do you enable push notifications on mobile apps to get up-to-date offers or alerts? Base : All respondents (excluding 'Not sure' (913)
a6 - Do you generally opt-in or opt out of communications from brands you engage with, when the communications are. Base : All respondents (1000)
a8 - When asked to fill out a profile on a brand's website or app, do you complete the task? Base : All respondents (1000)
a9 - Do you run ad-blocking technology on your personal devices? If so, which ones? Base : All respondents (1000)

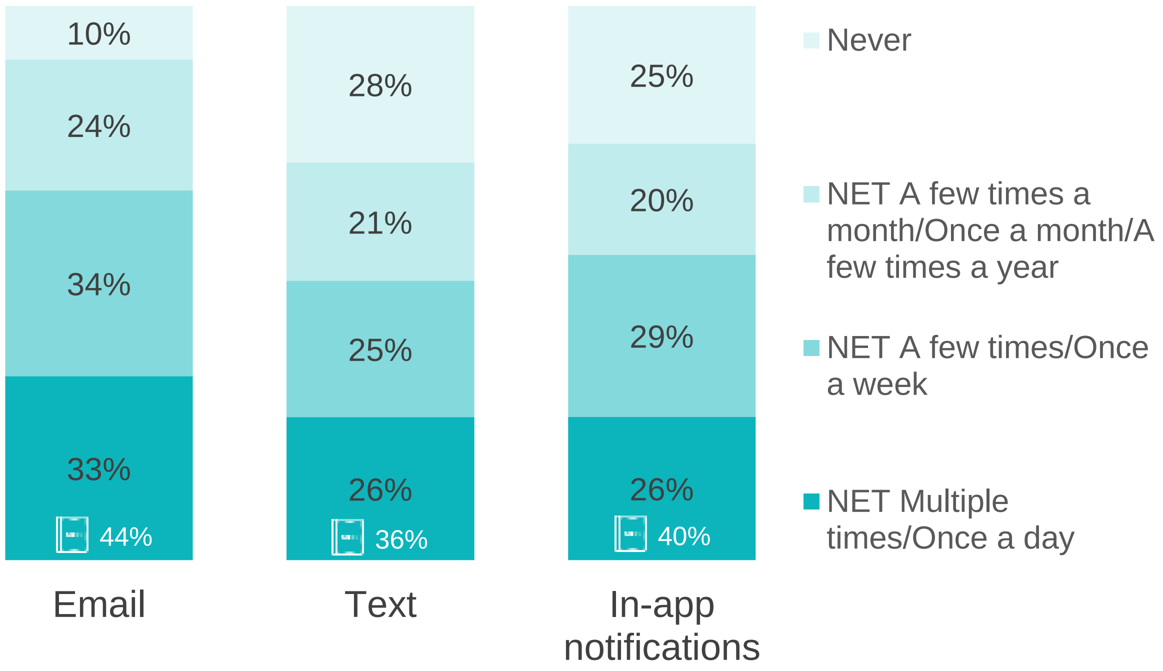
Statistical testing subgroups: Gen Z, Millennials, Generation X, Baby Boomers, Traditionalists

Adobe

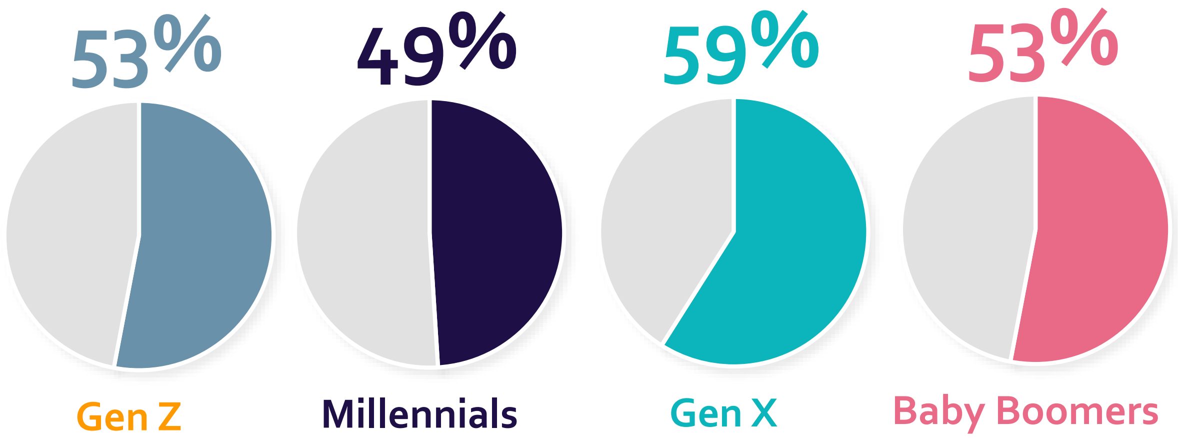
Brand Communication

Most consumers are willing to receive communications from brands (especially via email), but currently say they are too frequent. Millennials are the most likely to want more frequent communication from brands and less likely to say they currently receive too many emails.

Desired Frequency of Communication



Receive 'Too Many' emails from brands



US/UK Results (February 2020)
b1 - How often would you like to receive communication from brands that you engage with? Base : All respondents (1000)
b2 - Do you currently receive the right amount of emails from brands that you engage with? Base : All respondents (1000)

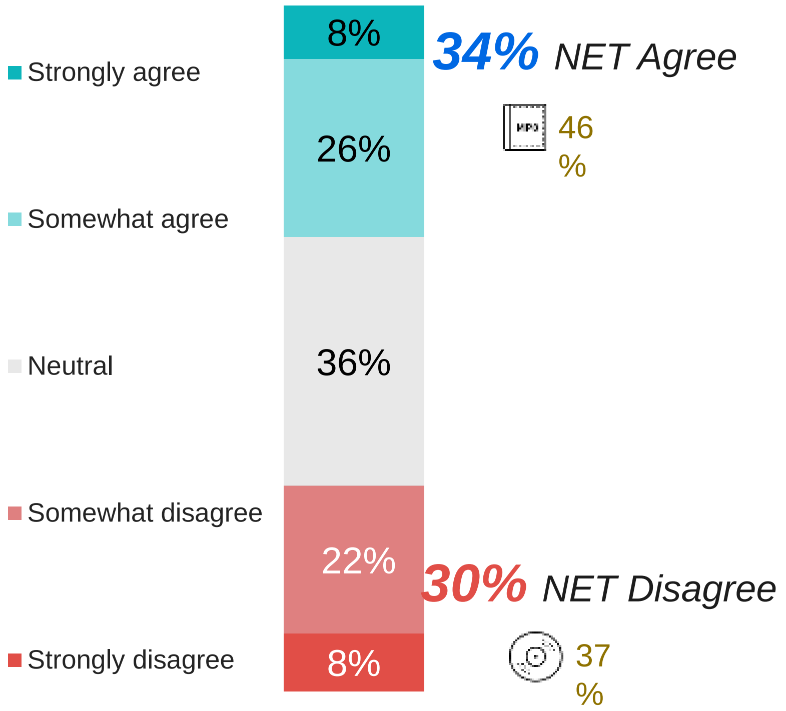
Statistical testing subgroups: Gen Z , Millennials , Generation X , Baby Boomers , Traditionalists

Feelings on Personalization

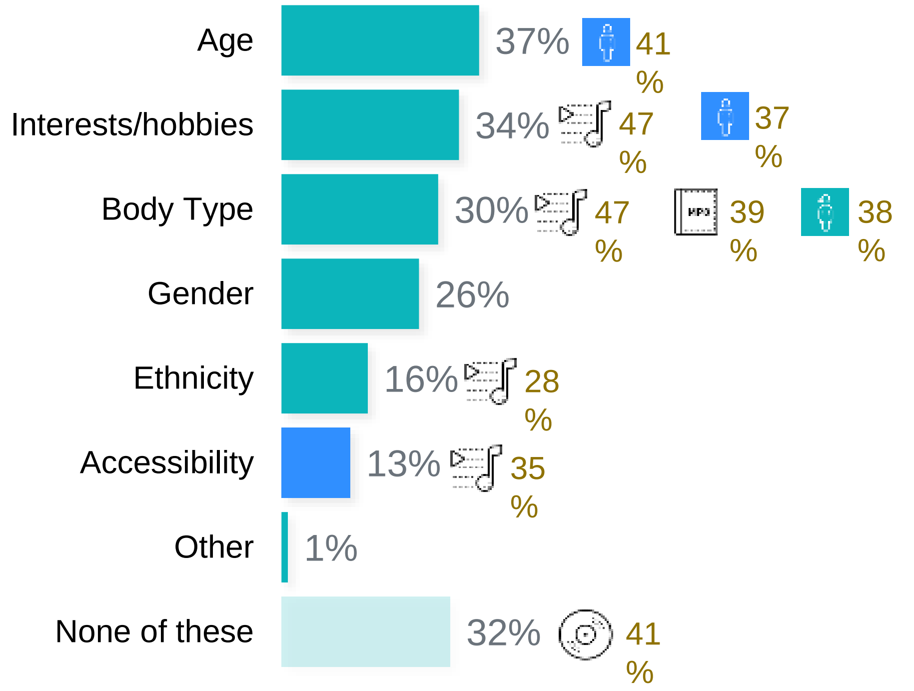
Brands images representing the consumer

Consumers don't feel like they "see themselves" in the websites of the brands they engage with. Brands can better reflect age, interests, and body type. For younger consumers, interests is of the utmost importance, and for males, both age and interests are important.

Do brand image reflect you?



How websites can better reflect you and your community



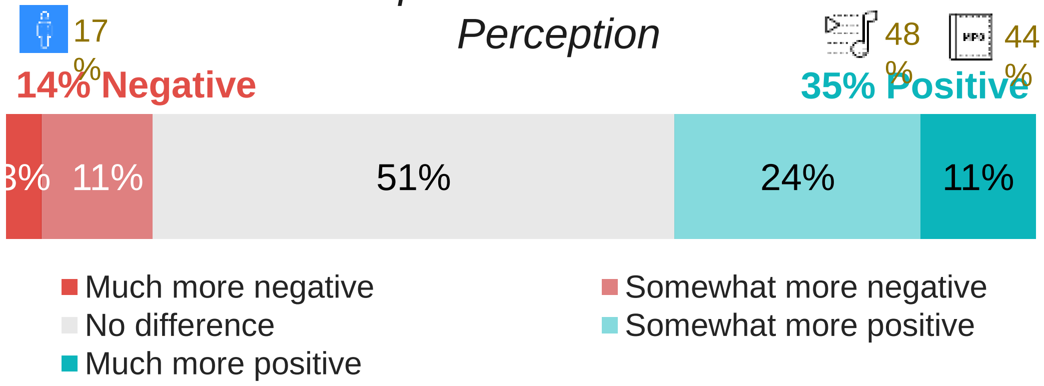
US/UK Results (February 2020)
b4 - When you go to the website of brands that you engage with, do you see yourself reflected in the images shown?
Base : All respondents (1000)
b4b - How can websites do better in reflecting you and your comm unity online? Base : All respondents (1000)

Statistical testing subgroups: Gen Z , Millennials , Generation X , Baby Boomers , Traditionalists Males Fem

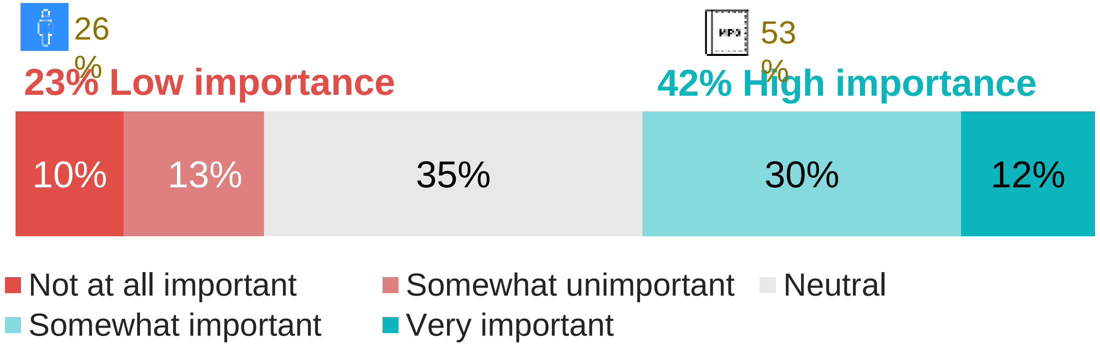
Personalized Experiences

Nearly half of consumers say personalized experiences on websites they engage with is important.
Millennials give personalized content higher importance than other generations.

Affect of Personalized Experiences on Brand Perception



Importance of seeing Personalized content

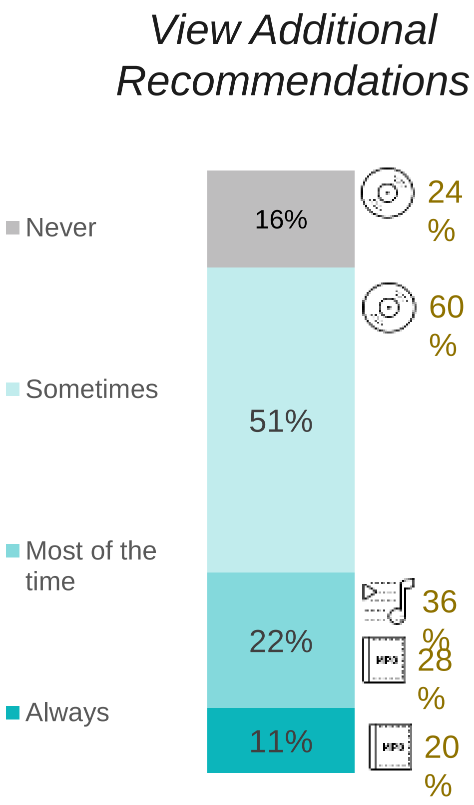


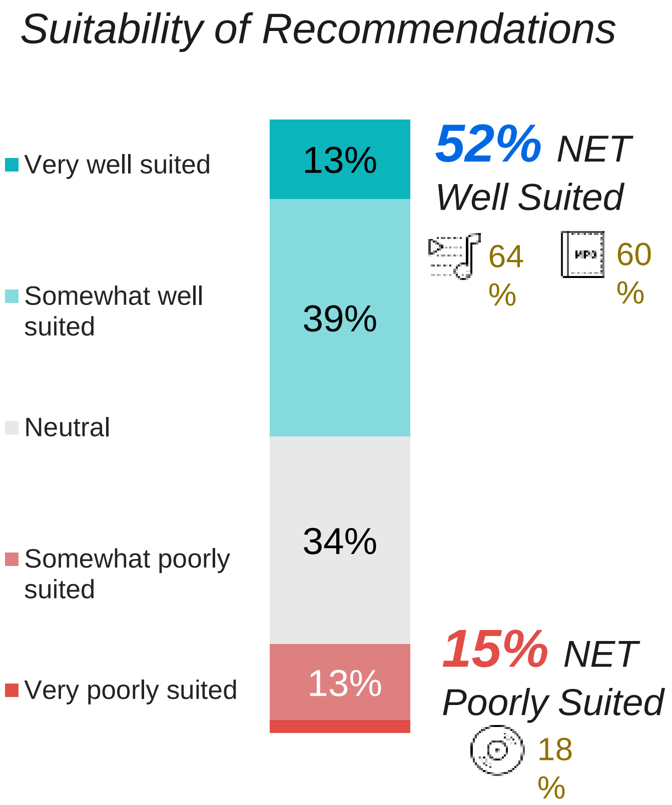
US/UK Results (February 2020)
b5 - Does having Personalized experiences on websites and mobile apps, and in the communications from the brand, change your perception of the brand?
Base : All respondents (1000)
c1 - How important is seeing Personalized products, content, offers, or experiences to you when shopping online or considering a service online?
Base : All respondents (1000)

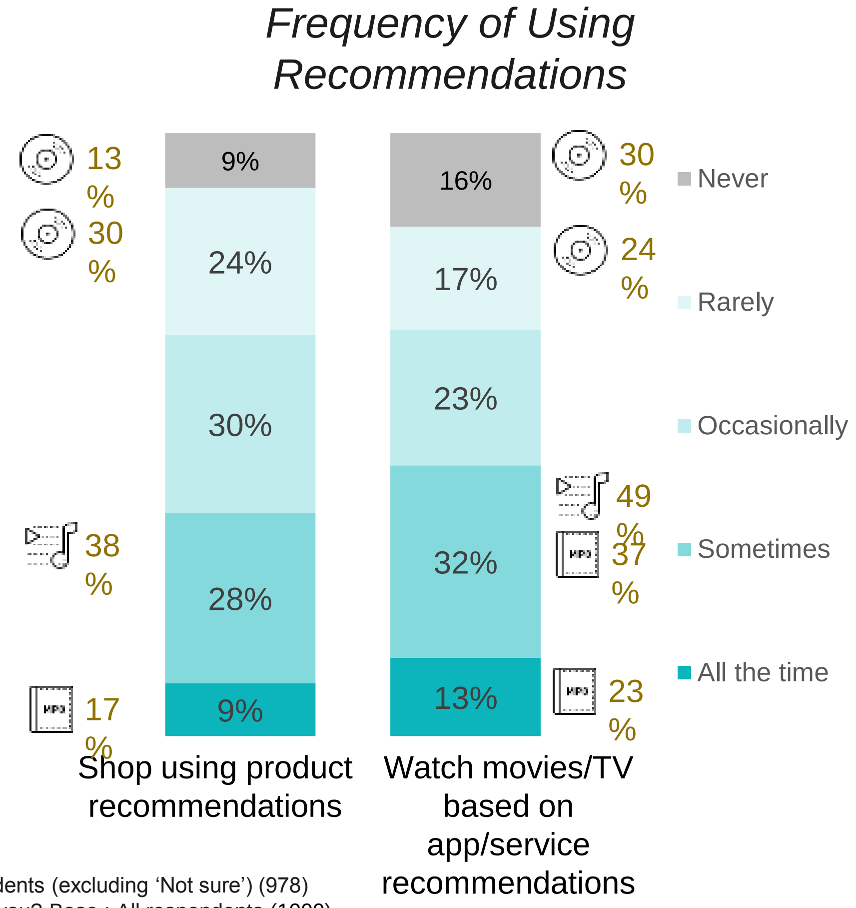
Statistical testing subgroups: Gen Z, Millennials, Generation X, Baby Boomers, Traditionalists, Males, Fem

Recommendations

Consumers sometimes view and shop based on product recommendations, which are generally well suited to them. Younger consumers are more likely to both use recommendations and find them suitable.







US/UK Results (February 2020)

c2 - When seeing product or content recommendations like 'people who bought this also bought that', do you view the additional recommendations? Base : All respondents (excluding 'Not sure') (978)

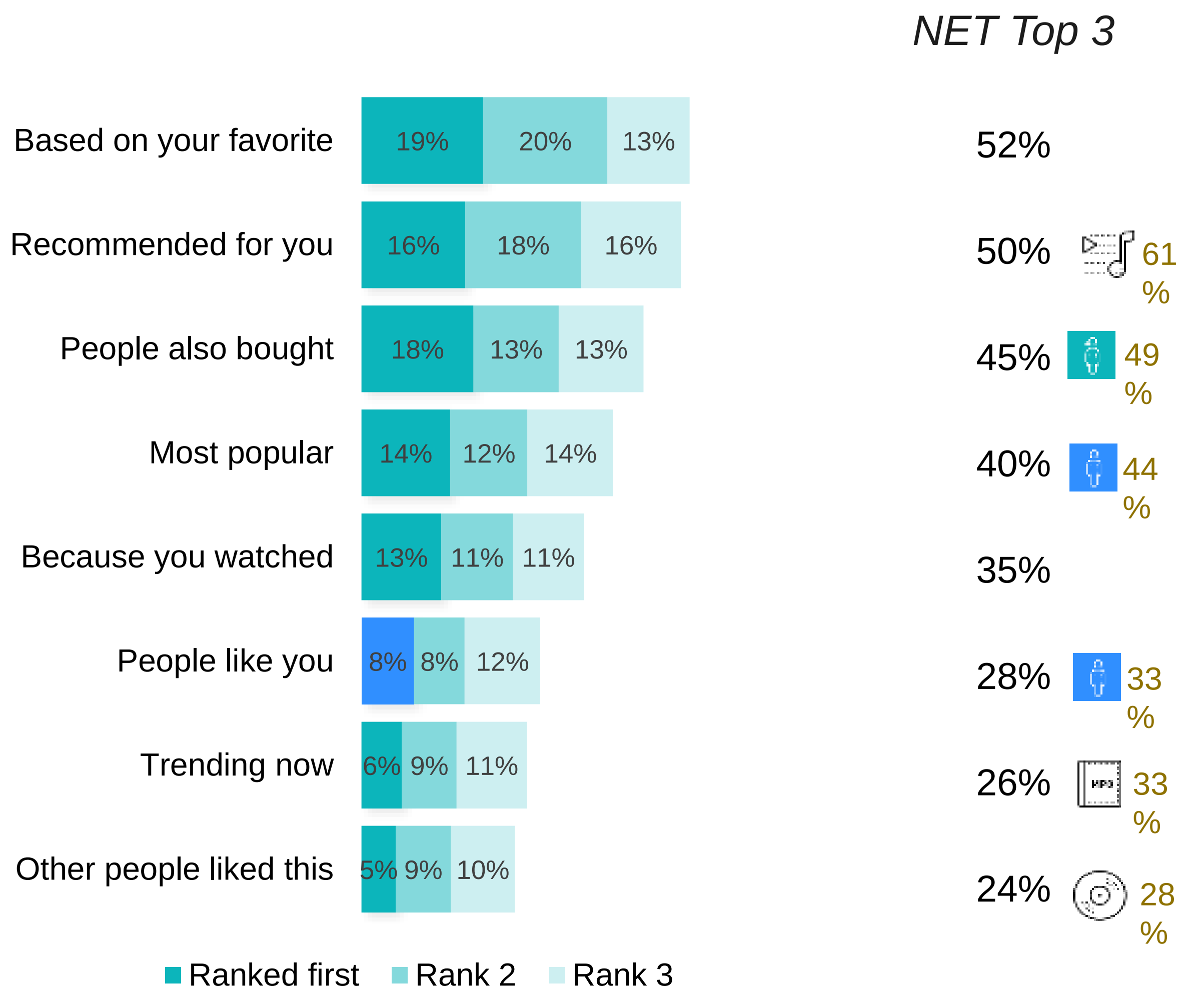
c3 - Thinking about your most recent shopping experience, where you viewed other product recommendations, how well suited were the product recommendations to you? Base : All respondents (1000)

c6 - Do you watch new movies or TV shows based on suggestions or recommendations from the app or service? Base : All respondents (1000)

c4 - Do you shop using product recommendations? Base : All respondents (1000)

Statistical testing subgroups: Gen Z , Millennials , Generation X , Baby Boomers , Traditionalists Males Fem

The most compelling recommendation messages are…

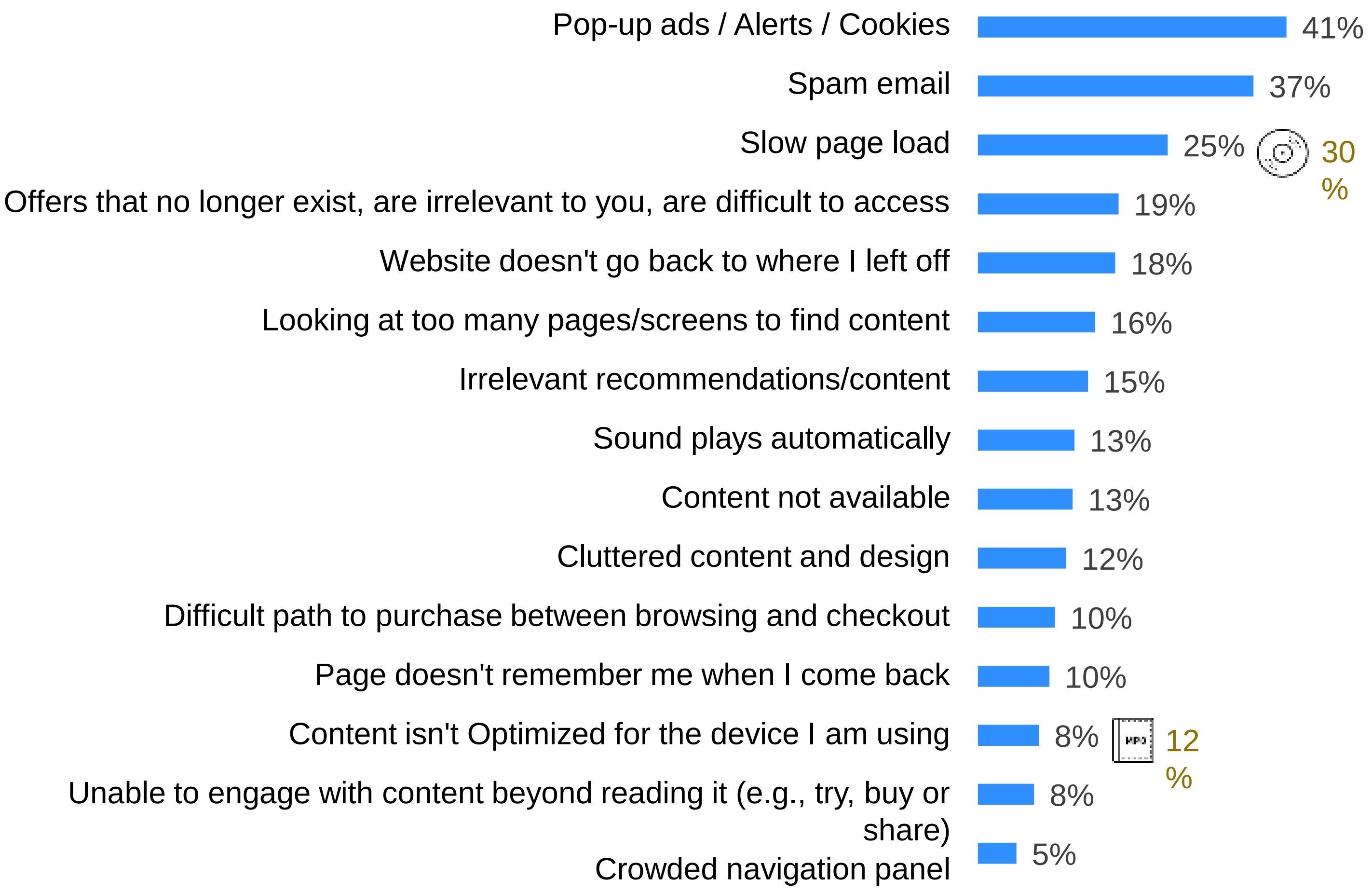


US/UK Results (February 2020)
c5 - What kinds of recommendations are most impactful for you? Base : All respondents (1000)

Statistical testing subgroups: Gen Z , Millennials , Generation X , Baby Boomers , Traditionalists Males Fem

Challenges Engaging With Brand Content

The most frustrating aspects of online content are…



US/UK Results (February 2020)
c7 - When engaging with a brand's content, what experiences frustrate you the most? Base : All respondents (1000)

Statistical testing subgroups: Gen Z , Millennials , Generation X , Baby Boomers , Traditionalists,

Methodology and Appendix

Methodology: Marketer Survey

Who participated in this research?

- 404 professionals completed this survey online (302 US and 102 UK)
- To qualify:
  - Aged 18 or older
  - Work FT/contract
  - Work involves advertising, marketing, UX/UI, brand, demand generation, communications, or product marketing

How was this research conducted?

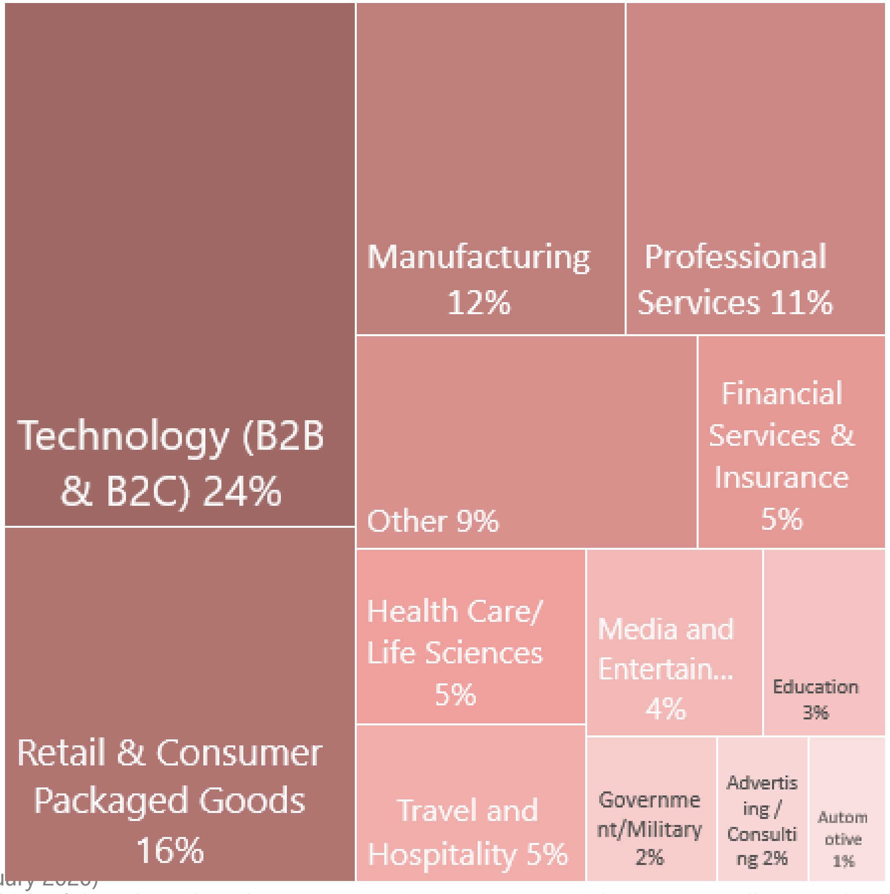
- Participants were recruited from an actively managed online panel (Lucid). As such, this should be considered a non-probability sample.
- Participants were recruited using a "nationally representative outgo" in order to closely align to the US/UK population demographics.
- Participants are incented using rewards points for participation
- Research was conducted between February 19th-21st, 2020.

Sample Frame

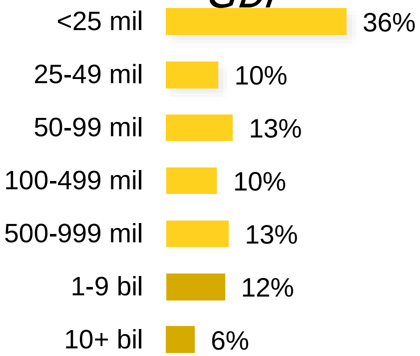
- No weighting of data was required.
- Margin of error is +/- 4.9 percentage points at the 95% confidence level
- Participants were required to complete the survey online, and own a mobile device (mirroring the adult online population in the US and UK).

Organizational Profile

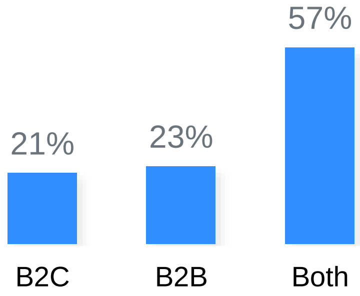
Primary industry



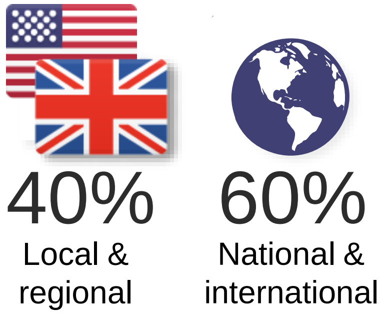
Annual revenue, US$ or GBP



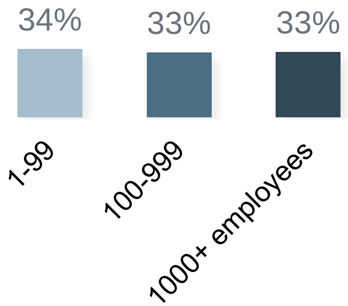
Target customer



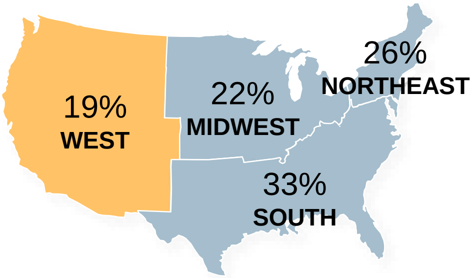
Markets served



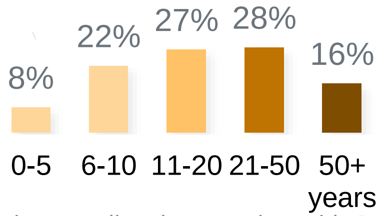
Organization size



Headquarters



Years in existence

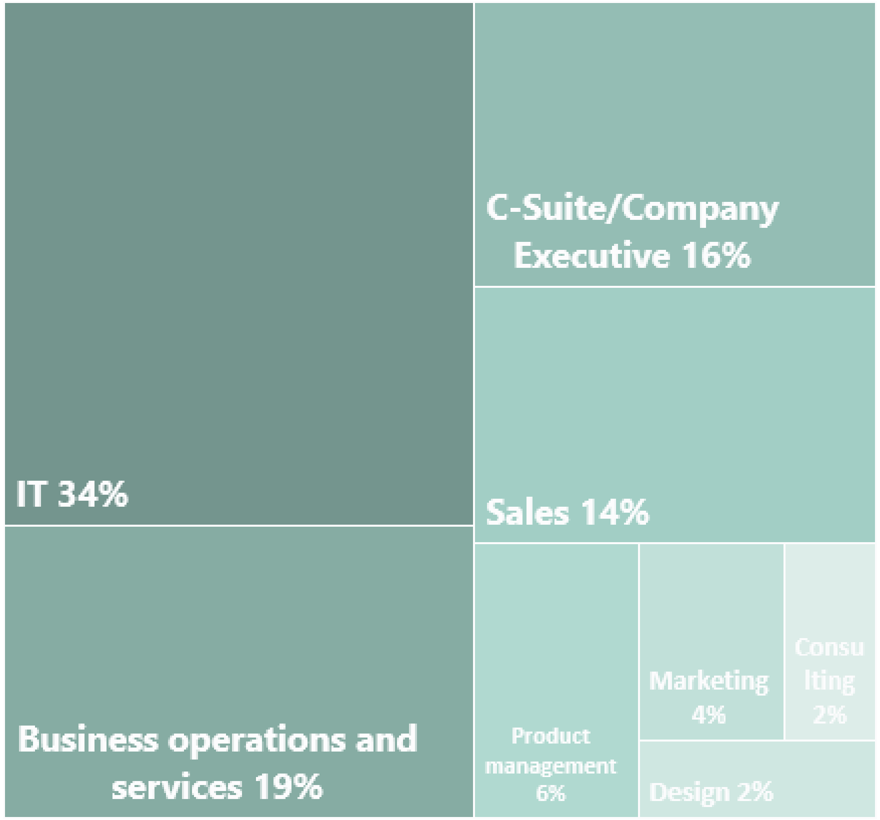


US (January 2020)
D3 – Which of these best describes your organization's primary industry? Base: All respondents (404)
D1 – What is the annual US$ revenue of your company, including all divisions and subsidiaries? Base: excl. *prefer not to say* & *don't know* (383)
D6 – How many years has your company been in existence? Base: excl. *prefer not to say* (403)

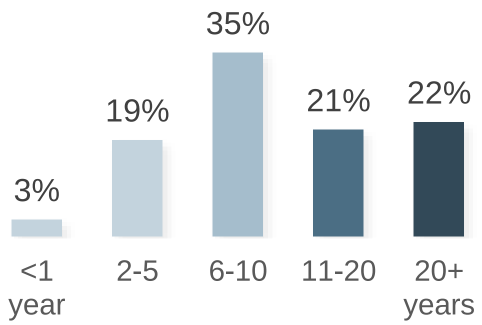
S2 – How many employees does your organization have? If contractor, organization spending the most time with. Base: excl. *don't know* (395)
D4 – Does your company provide products or services for … ? Base: All respondents (404)
D8 – Where is your company headquartered? Base: US (302), UK (104)
D5 – What is your company's reach, in terms of customers served? Base: All respondents (404)

Respondent Profile

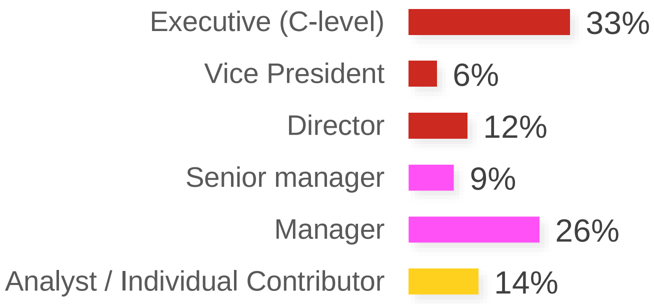
Area of work



Years in professional career



Job level



Involvement in marketing activities

US (January 2020)
S3 – Which of the following best describes the functional area that you work in? Base: All respondents (404)
S4 – What is your involvement, if any, in the following activities… Base: All respondents (404)

S5 – Which of the following best describes your job level? Base: All respondents (404)
D7 – How long have you been working in your professional career?
Base: Excl. *prefer not to say* (403)

Methodology: Consumer Survey

Who participated in this research?

- 1,000 Adults completed this survey online (800 US and 200 UK)
- To qualify:
    - Aged 18 or older
    - Own a mobile device

How was this research conducted?

- Participants were recruited from an actively managed online panel (Lucid). As such, this should be considered a non-probability sample.
- Participants were recruited using a "nationally representative outgo" in order to closely align to the US/UK population demographics.
- Participants are incented using rewards points for participation
- Research was conducted between February 19th-21st, 2020.

Sample Frame

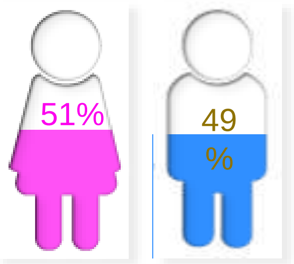
- No weighting of data was required.
- Margin of error is +/- 3.1 percentage points at the 95% confidence level
- Participants were required to complete the survey online, and own a mobile device (mirroring the adult online population in the US and UK).

Profile of Participants

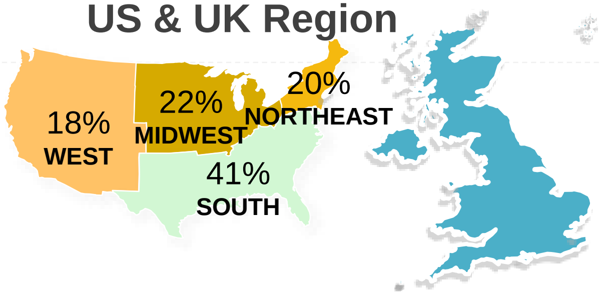
Age

Gen Z	1996 or later	11%
Millennials	1977—1995	34%
Generation X	1965—1976	18%
Baby Boomers	1946—1964	32%
Traditionalists	1945 or earlier	4%

Gender



US & UK Region



South East	16%	East Midlands	8%
North West	15%	Yorkshire and the Humber	7%
London	10%	North East	7%
South West	9%	Wales	7%
Scotland	9%	West Midlands	6%
East of England	8%	Northern Ireland	1%

Neighborhood

Urban	Suburban	Rural
30%	50%	21%

Suburban includes ex-urban—
a mainly residential commuter town (4%).

Education

High school or less	29%
Some college	32%
College graduate	24%
Post-graduate	14%

Some college includes vocational/ technical school (7%).

Marital status

Single	31%
Married/with partner	54%
Divorced/separated	11%
Widowed	4%

Children in the home

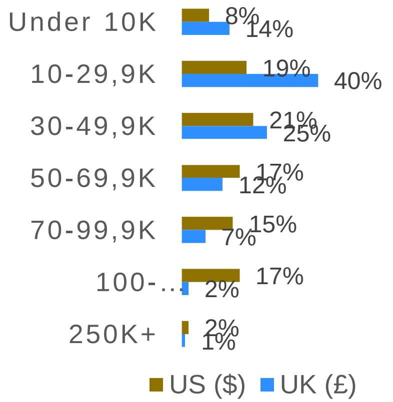
No children in the home	68%
Less than 5 years old	11%
5-12 years old	16%
13-17 years old	13%

Employment status

58% working

Full-time	45%
Part-time	13%
Homemaker	16%
Student	5%
Retired	22%

Income



US/UK (February 2020)
S0 – What country do you live in? Base: All respondents (1000)
S2 – In what year were you born? Base: All respondents (1000)
D3 – What is the highest level of education you have completed? Base: Excl. *prefer not to say* (993)
D4 – Are you…? [marital status] Base: Excl. *prefer not to say* (989)

S1 – What is your gender? Base: All respondents (1000)
Q7 – Where in the US do you live? [state] Base: Excl. *prefer not to say* (US: 792 / UK: 199)
D2 – Do you have children in the home? If so, what ages? Base: Excl. *prefer not to say* (980)
D5 – Which of these best describes you? [employment] Base: Excl. *prefer not to say* (978)

D1 – How would you describe your neighborhood? Base: All respondents (1000)
D6 – What was your total household income before taxes during the past 12 months? Base: Excl. *prefer not to say* (US: 784 / UK: 187)

Methodology

- This research was sponsored by Adobe and conducted by Advanis. For information about data collection, please contact Lori Reiser (lori_reiser@advanis.net)

- Advanis is a member of the Canadian Research Insights Council (CRIC). This research fully complies with all CRIC Standards including the CRIC Public Opinion Research Standards and Disclosure Requirements.

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